



BINSWANGER

TWO LOGAN SQUARE, PHILADELPHIA, PA 19103-2759
215-448-6000 • FAX: 215-448-6238 • E-MAIL: INFO@BINSWANGER.COM

October 9, 2019

Jason Rabinovich, Esquire
Law Offices of Jason Rabinovich, PLLC
1700 Market Street, Suite 1005
Philadelphia, Pennsylvania 19103

Re Addendum to Prior Real Estate Consulting
Services for Property Located at 2505
Orthodox Street, City of Philadelphia,
Pennsylvania 19137, OPA 88-4350210

Dear Mr. Rabinovich:

As requested, this submission represents an addendum to the prior Brokers' Opinion of Value dated April 22, 2019 that developed an opinion of market value on the real estate at the above-captioned location. Reference is hereby made to that document for additional detail on the conclusions pertaining to the fee simple interest in the property with an effective valuation date of April 15, 2019, based upon an exterior inspection. In addition, assumptions and limiting conditions and other pertinent data related to the valuation of the subject property are contained within the original document. With respect to the Assumptions and Limiting Conditions, Subparagraph 8 on Page 8 of the prior submission is hereby redacted and omitted from this Addendum as known environmental conditions are considered herein.

Scope of the Assignment: In developing this addendum the following process was undertaken:

- A property inspection was completed on October 7, 2019.
- A review of the Phase II Limited Subsurface Investigation Report as prepared by The Vertex Companies, Inc. was completed.
- Review of the The Gessler Group Summary Appraisal Report dated January 20, 2019.
- Research of Philadelphia Department Licenses and Inspection for violations and outstanding non-compliance issues.
- Based on the above and considering the conclusions of the Vertex Report, determine the impact up the Binswanger value estimated provided in April 2019.

REGIONAL • NATIONAL • INTERNATIONAL REAL ESTATE

REGIONAL OPERATIONS: Atlanta, GA • Charlotte, NC • Chicago, IL • Cincinnati, OH • Dallas, TX • Denver, CO • Detroit, MI • Houston, TX
King of Prussia, PA • Las Vegas, Nevada • Los Angeles, CA • Melville, NY • Miami, FL • Minneapolis, MN • Natick, MA • New York, NY • Newport Beach, CA
Owings Mills, MD • Oxford, MS • Philadelphia, PA • Seattle, WA • Tampa, FL • Toledo, OH • Washington, D.C. • Woodland Hills, CA • Bangkok
Buenos Aires • Caracas • Hanoi • Hamburg • Lima • London • Madrid • Mexico City • Milan • Montreal • Mumbai • Paris • Quito • Sao Paulo • Santiago
Seoul • Shanghai • Singapore • Sydney • Tel Aviv • Taipei • Tokyo • Toronto • Warsaw • Zurich

160 Offices Worldwide
North America • South America
Europe • Middle East
Asia • Australia
www.binswanger.com

Jason Rabinovich, Esquire,
Law Offices of Jason Rabinovich, PLLC
October 9, 2019
Page Two

- As there is no specialty designation for a valuation expert of environmentally contaminated properties, State Certified General Appraisers with experience in industrial property valuations can review environmental reports and are qualified to determine the impact on value.

Subject Property

2505 Orthodox Street, City of Philadelphia, Pennsylvania, OPA 88-4350210. The property is in the ownership of Jonathon Barger and the property is owner-occupied as Frankford Plating and utilized for industrial purposes. In short, the property is zoned ICMX - Industrial Commercial Mixed-Use District and comprises 9,957 square feet with frontage along Orthodox Street.

The site is improved with a one-story, masonry industrial building containing 7,422 square feet. The building construction is circa 1950 with a central connector and rear, eastern, addition constructed in 1982, per Site Plans prepared by Tantala Associates, Civil & Consulting Engineers dated February 19, 1982.

The layout consists of a western plating area, central stockroom, and an eastern warehouse/finishing area, locker room and compressor/storage room. The building design is functionally adequate for the existing use as well as other general industrial uses. The overall building condition is fair.

Environmental Overview

In developing an opinion of value subject to disclosed environmental conditions, a Phase II Limited Subsurface Investigation Report as prepared by The Vertex Companies, Inc. was reviewed. The Report is dated July 20, 2015. That Report was submitted subsequent to a prior March 2015 Phase I Environmental Site Assessment (ESA).

The purpose of the Phase II (LSI) was to assess soil and ground water conditions for potential impacts pertaining to recognized environmental conditions (REC). As the property had been utilized for industrial electroplating and metal treatment or similar operations for approximately 60 years, the environmental impact on value is of the primary issue for this analysis. The Report details the process, testing, and analytical results which appear objective and reliable. Subsequent to my review and discussion with other professionals within the Binswanger Company, the following provides an overview of the Vertex Report.

Jason Rabinovich, Esquire
Law Offices of Jason Rabinovich, PLLC
October 9, 2019
Page Three

Soil Sampling

- Volatile Organic Chemicals or Compounds (VOCs): VOCs identified are below applicable Pennsylvania Department of Environmental Protection (PADEP) standards.
- Metals: Select metals, arsenic, chromium, lead and nickel exceeded applicable PADEP standards for Non-residential direct soil contact standard.
- Cyanide: Cyanide concentration only at one Soil Boring location (SB-6) exceeded applicable PADEP standards for non-residential soil to groundwater standard. Concentrations at other soil borings were below the standards.

Groundwater Sampling

- VOCs: Only 5 of the 30 priority pollutant VOCs were identified at detectable concentrations. Benzene is the only VCO concentration that exceeded applicable PADEP standards for a non-residential used aquifer. All other concentrations were below PADEP standards.
- Metals: Various metals exceeded applicable PADEP standards for non-residential used aquifer.
- Cyanide: Concentration identified was below applicable PADEP standards.

Conclusion

- Starting of page 10 of the Vertex Report, the general indication is that site soils with elevated concentrations of metals and cyanide would not meet the criteria for Clean Fill and various substances exceed multiple PADEP standards.
- In the event of redevelopment, site soils would need to be characterized and potentially removed. However, it is Vertex's opinion that for the current site use, the potential risk is considered low.
- Indication is that as the site and surrounding area are likely within a Non-Use Aquifer area that the elevated concentrations of Benzene and metals would not exceed applicable PADEP MSC (*Medium Specific Concentrations*) standards.
- Furthermore, there is an indication that the elevated Benzene concentration may be from off-site. Based on the current use of the site, *"the Benzene impacts are not considered to be significant."* (Vertex Report Page 11)



Jason Rabinovich, Esquire
Law Offices of Jason Rabinovich, PLLC
October 9, 2019
Page Four

- There is no indication in the Vertex Report that remediation is required.

Impact on Value

An interior and exterior inspection of the building improvement was completed on October 7, 2019. The property conditions and my understanding of such are unchanged from my prior submission and review of the Gessler Appraisal containing 42 interior photos. The building construction and condition are typical for this type of industrial use. My prior experience in the appraisal of similar type facilities include:

- I. the Acme Heat Treating facility, north of the subject location at 4626-32 Hedge Street in Philadelphia, PA and
- II. J&J's Multi-Flex Plating Company facility at 109 Willows Avenue in Collingdale, PA

The environmental conditions do not prevent the sale or rental of the property for continued use of the existing or similar processes. There is no indication that the property is under PA State or Federal mandated cleanup. My research did not reveal any outstanding Philadelphia L&I violations. The Philadelphia Water Department processes public water throughout the City and I am not aware of any neighboring properties that derive their water source from the aquifer. The detectable levels of potentially hazardous materials in the soil sampling do not materially impact the continued use or value for such use.

The Broker's Price Opinion that was established as of April 15, 2019, as indicated in the prior submission, is \$300,000 to \$330,000. There is no indication that the price opinion is impacted. Based on my recent interior inspection, the mid-point of the range of **\$315,000** is concluded as the fee simple market value.

Thank you for the opportunity to be of service and please contact us if there are any questions pertaining to this submission.

Sincerely

A handwritten signature in black ink that reads 'Christopher J. Hall'.

Christopher J. Hall
President
Binswanger Appraisal Division

CJH:pb